



*United States Attorney
Southern District of New York*

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**U.S. INDICTS 17 IN MASSIVE CRACKDOWN ON
MULTI-MILLION DOLLAR ILLEGAL GAMBLING OPERATION**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, PASQUALE D'AMURO, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and RAYMOND W. KELLY, Commissioner of the New York City Police Department ("NYPD"), announced today the unsealing in Manhattan federal court of an 88-count Indictment charging 17 defendants - including three associates of the Gambino Organized Crime Family of La Cosa Nostra - with operating an illegal gambling business that, over the last four years, brokered more than \$200 million dollars in bets on horse racing and other sporting events. In addition to multiple gambling-related and money laundering counts, the Indictment charges several defendants

with participating in a scheme to fix a horse race at Aqueduct Raceway in New York by providing a racehorse with a performance-enhancing substance.

The Indictment and the arrests made early this morning represent the culmination of a two-year investigation into a major illegal gambling operation that operated principally in New York, New Jersey, Florida, Nevada and New Hampshire. The FBI has already seized significant assets of the gambling operation, including over \$400,000 in cash from the home of MARVIN MEYEROWITZ, a/k/a "Cookie," one of the operation's alleged principal members.

The charges in the Indictment include operating an illegal gambling business; violations of the Travel Act and Wire Act, which involve transmission of bets and other gambling information across state lines; money laundering; structuring of bank deposits and withdrawals; extortionate collection of gambling debts; and wire fraud. The Indictment also seeks forfeiture of cash and property from the defendants. Many of the defendants, who were arrested in the New York City area, will be arraigned today at the United States Courthouse in Manhattan; other defendants, who were arrested today in other jurisdictions, are expected to be arraigned next week.

According to the Indictment, the illegal gambling business was run by GERALD UVARI, GERALD's brother CESARE UVARI, and GERALD's son ANTHONY UVARI, all three of whom are alleged to be

Associates of the Gambino Organized Crime Family. MARVIN MEYEROWITZ, a/k/a "Cookie," and DAVID APPELBAUM, a/k/a "Pebbles," allegedly were partners in the illegal gambling business, described in the Indictment as the "Uvari Group." As alleged, the Uvari Group acted as an intermediary between bettors and various "off-site" gambling businesses, which were establishments where bettors placed bets by telephone or over the Internet without actually being present at the sporting event that was the subject of the bet. Among the off-site locations utilized by the Uvari Group were Euro Off-Track, located on the Isle of Man in the United Kingdom; International Racing Group, Inc., d/b/a "Racebook," located on Curacao in the Netherlands Antilles; Racing Services, Inc., located in Fargo, North Dakota; and a gambling business located on the Tonkawa Indian Reservation in Tonkawa, Oklahoma.

According to the Indictment, the Uvari Group established betting accounts at off-site gambling locations for individual bettors. Once a bettor's account was established, the Uvari Group allegedly received from the off-site gambling business account numbers, numerical codes, and pin numbers that were assigned to particular bettors, and a telephone number that the bettor could use to place bets at the off-site location. Bettors could then call the telephone numbers and use the account numbers and

numerical codes assigned to them by the Uvari Group, instead of their own personal identifying information, to place bets.

In fact, as alleged in the Indictment, the bettors' accounts bore no personal information of the bettors who bet through them. Each betting account allegedly had an associated Social Security Number - for the purpose of reporting income and losses to the Internal Revenue Service - but, in most cases, that number did not belong to the bettor, but rather to one of the Uvari Group's five partners: GERALD UVARI, CESARE UVARI, ANTHONY UVARI, MARVIN MEYEROWITZ, a/k/a "Cookie," and DAVID APPELBAUM, a/k/a "Pebbles." In addition to preserving bettors' anonymity and allowing the bettors to avoid reporting their own tax winnings, this allegedly allowed the Uvari Group partners to claim on their respective personal income tax returns gambling losses that were not their own, resulting in massive tax windfalls. For example, for the 2003 tax year, ANTHONY UVARI received a tax refund of approximately \$156,794, the Indictment alleges.

According to the Indictment, the Uvari Group typically made money on every bet placed by one of its bettors at an off-site gambling business. The amount of this "commission," or "rebate," was allegedly negotiated by the Uvari Group based on the number of accounts that the Uvari Group opened at the off-site gambling business, and represented a percentage of the bet that the Uvari

Group received regardless of whether the bettor won or lost. For each bet, the Uvari Group allegedly returned a portion of its commission or rebate to the bettor, as an incentive for the bettor to continue to place bets through the Uvari Group.

The Indictment further charges that the Uvari Group laundered and conspired to launder the proceeds of its illegal gambling business, and engaged in financial transactions in criminally derived property.

In addition, one of the Uvari Group's partners, DAVID APPELBAUM, is charged with participating in a scheme to fix a horse race at Aqueduct Raceway by what the Indictment refers to as "horse doping." According to the Indictment, APPELBAUM, GREGORY MARTIN, a racehorse trainer, and RENE POULIN, a harness driver, devised and executed a scheme in which they fixed the first race at Aqueduct Raceway on December 18, 2003, by giving a racehorse a performance-enhancing substance just prior to the race. APPELBAUM then placed bets, and encouraged others to place bets, on the artificially-enhanced horse that ultimately won the race, it is alleged.

The Indictment seeks forfeiture of at least \$200 million. Among the Uvari Group's assets subject to forfeiture are homes that members of the Uvari Group own in Ardsley, New York; Brooklyn, New York; Marlboro, New Jersey; Hackensack, New Jersey; Las Vegas,

Nevada; Paradise, Nevada; Spring Valley, Nevada; Henderson, Nevada; Coconut Creek, Florida; and Londonberry, New Hampshire.

Mr. KELLEY praised the investigative efforts of the Joint Organized Crime Task Force of the FBI and NYPD, and the cooperation of the Thoroughbred Racing Protective Bureau, the National Indian Gaming Commission, the Federal Monitors of the New York Racing Association, and all members and participating agencies of the Indian Gaming Working Group.

Mr. KELLEY said that the investigation is continuing.

Assistant United States Attorneys DAVID RASKIN, MIRIAM E. ROCAH, BENJAMIN GRUENSTEIN, and CHRISTINA PAGLIA BISCHOFF are in charge of the prosecution.

The charges contained in this Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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(A LIST OF THE DEFENDANTS' NAMES, DATES OF BIRTH, CHARGES AND PENALTIES ARE AVAILABLE IN A SEPARATE DOCUMENT.)